

Testimony of the Materials Innovation and Recycling Authority
on Raised Bill No. 168
AN ACT CONCERNING TRASH-TO-ENERGY FACILITIES.
To the Joint Committee on Energy and Technology
March 1, 2016

Senator Doyle, Representative Reed and members of the Energy & Technology Committee:

My name is Don Stein. I am the chairman of the Materials Innovation and Recycling Authority and the Northwest Hills Council of Governments, and also the first selectman of Barkhamsted. With me is Ralph Eno, another member of the MIRA board and the first selectman of Lyme. Thank you for the opportunity to testify on Raised Bill 168, *An Act Concerning Trash-to-Energy Facilities*.

We know that the way Connecticut manages its solid waste – by reducing, reusing, recycling and ultimately recovering the renewable energy from what remains in our trash through the use of our waste-to-energy facilities – is likely evolving. There are many promising technologies to consider, but until our state chooses one or more of these processes, and then sites and builds the facilities to implement these technologies, we are going to continue to need our state's trash-to-energy plants.

However, their immediate economic viability is in jeopardy. The recent increases in the supply and production of natural gas have driven down natural-gas prices. Because natural gas is used to generate about half the electricity in New England, the price of electricity in our region tracks the price of natural gas. So because natural gas is cheaper than it's been in many, many years, wholesale electricity – the type of power trash-to-energy plants generate – is worth much less.

Our two primary revenue streams are wholesale power sales and trash disposal fees. The more we make from electricity, the less we must charge our towns and residents in order to break even. In MIRA's case, the scores of cities and towns that have contracts with us, together with the private haulers who deliver from these and other towns, total more than a quarter of the state's population. Since natural-gas prices collapsed, and power prices with them, we've had to scramble to keep our disposal fees from shooting up. Thanks to our aggressive cost-cutting and other fiscal measures, we have been able to withstand the plunging power prices. But this is not a viable long term strategy and how long we can do so is open to question. This new economic reality has already closed one of our state's six plants.

We respectfully call on you to amend this bill in three ways:

- The study called for in this bill should consider the possible loss of one or more trash-to-energy plants from the power grid.
- The study also should consider granting trash-to-energy plants a type of Renewable Energy Credit similar in financial value to Class I renewable energy credits – temporarily, until our state's new, hoped-for solid-waste management technology proves to be capable of handling statewide MSW tonnages in a cost effective fashion.

- And because of the potential catastrophic financial pressure our industry faces, we urge you to direct this study be completed and a report made to the General Assembly no later than December 1, 2016, so you will have sufficient time to consider its findings in the 2017 legislative session.

Thank you again for considering MIRA's testimony on Raised Bill 168. We will be happy to answer your questions.